

PROJECT ABSTRACT

Name of the Project:	Ashmore Colombian Infrastructure Fund I FCP
Country:	Colombia
Fund Manager:	Ashmore Management Company Colombia SAS, a company to be formed mainly by Ashmore Investments (Colombia) S.L. and Inverlink S.A. as shareholders
Investors:	Expected to include local institutional investors, Bancoldex, CAF, and potentially other MLAs, bilateral development agencies, and international institutional investors
Target Fund Amount:	Up to US\$750 million
IDB Participation:	IDB A-Loan of up to US\$ 75 million in multiple commitments
Department:	Structured and Corporate Finance Department (SCF)
Status:	IDB Mandate Letter executed in June 2009
Date:	August 7, 2009

I. Project Description

The Project comprises the development of the Ashmore Colombian Infrastructure Fund I FCP ("Fund"). The Fund is envisioned to seek to make investments in a diversified portfolio of infrastructure-related projects and companies in Colombia. The Fund's target size is approximately US\$750 million (including IDB's participation) through multiple closings. The Fund's investors are expected to include local institutional investors, Bancoldex, CAF, and potentially other MLAs, bilateral development agencies, and international institutional investors. IDB's participation is expected in the form of a senior loan to the Fund.

The Fund's target sectors are envisioned to include: electrical power, transportation, gas and oil transportation and distribution, water, telecommunications and satellites, garbage or waste management, infrastructure logistic and other infrastructure sectors. The Fund's portfolio of investments shall observe certain investment guidelines and restrictions criteria with respect to exposure to eligible sectors, borrowers and their affiliates, and individual investments.

The Fund will be managed by a consortium led by Ashmore Investments (Colombia) S.L. which is a subsidiary of Ashmore Group plc, (a leading specialist emerging markets manager) and Inverlink S.A. (a leading Colombian advisory firm) with an advisory services contract with Macquarie Capital Inc., a U.S. subsidiary of the Macquarie Group (a leading global infrastructure investment group).

II. Project Benefits

The Fund is expected to have significant positive impact on both: (i) physical infrastructure, as it will target infrastructure investments in Colombia and (ii) financial markets infrastructure, as the Bank will contribute to the mobilization of resources to the Fund from institutional investors

including Colombian pension funds. The participation of IDB combined with a Fund manager with international relevant track record in the management of infrastructure funds in emerging markets will contribute to incorporate the global perspective and international best practices into the local market; therefore providing a strong demonstration effect on the viability of this type of investment vehicles.

III. IDB Participation

The Fund is consistent with the Bank's country strategy with Colombia, in terms of supporting: (i) the country's competitiveness by contributing to the development of the needed infrastructure; (ii) the competitive development of enterprises in the electricity, hydrocarbons, transportation, logistics, telecommunications, and water and basic sanitation sectors, and (iii) private sector participation as investors as well as developers and operators of infrastructure projects.

IV. Environmental and Social Strategy

Based on Directive B.13 of the Bank's Environment and Safeguards Compliance Policy (OP-703) this operation is not categorized. However, the Fund will invest in infrastructure projects and related companies of large scale and in sectors that are likely to have a wide range of potentially significant environmental, social, health and safety and labor impacts and risks, and would fall into categories A and B under the Bank's classification system. Therefore, during the due diligence and negotiations processes the Bank and the Fund Management will agree on an appropriate Environmental and Social Management System (ESMS) that the Fund will be required to develop and implement to identify, assess, mitigate and monitor the environmental and social impacts of each project in order to ensure that the environmental impacts and risks associated with projects financed with IDB funds are properly managed.